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12 UNITED STATES DISTRICT COURT
13 NORTHERN DISTRICT OF CALIFORNIA
14 SAN FRANCISCO DIVISION

15 SECURITIES AND EXCHANGE COMMISSION,

16 Plaintiff,

17 v.

18 PETER C. SON, JIN K. CHUNG,
19 SNC ASSET MANAGEMENT, INC., and
20 SNC INVESTMENTS, INC.,

21 Defendants.

Case No. CV-09-2554 MMC

DECLARATION OF THOMAS J. EME
IN SUPPORT OF PLAINTIFF'S *EX*
PARTE APPLICATION FOR
TEMPORARY RESTRAINING
ORDER AND ORDER TO SHOW
CAUSE

1 I, THOMAS J. EME, DECLARE:

2 1. I am over 21 years of age, an attorney duly admitted to practice in the State of
3 Illinois, and employed as a staff attorney in the San Francisco Regional Office of the Securities and
4 Exchange Commission ("Commission"). I am one of the attorneys with primary responsibility for
5 the Commission's investigation and litigation of this matter. Unless otherwise noted, I make this
6 declaration based on my personal knowledge. If called upon to do so, I could and would testify to
7 the matters stated in this declaration.

8 2. Attached as Exhibit No. 1 is a true and correct copy of the Declaration of
9 Seunghee Yatsko, dated March 23, 2009, provided to the Commission by staff of the Commodity
10 Futures Trading Commission. Ms. Yatsko, an investor, consented to the Commission's use of
11 this declaration in this action.

12 3. Attached as Exhibit No. 2 is a true and correct copy of the Declaration of David
13 Pak, dated November 17, 2008, provided to the Commission by staff of the Commodity Futures
14 Trading Commission. Mr. Pak, an investor, consented to the Commission's use of this
15 declaration in this action.

16 4. Attached as Exhibit No. 3 is a true and correct copy of the Declaration of Dale
17 Baek, dated March 2, 2009, and which Mr. Baek provided to the Commission. Mr. Baek, an
18 investor, consented to the Commission's use of this declaration in this action.

19 5. Attached as Exhibit No. 4 are schedules summarizing activity of Bank of America
20 bank account no. xxxxx-x4116 held in the name of SNC Asset Management, Inc. ("SNCA").
21 The schedules detail activity during the period of October 19, 2007, through November 14, 2008.
22 A paralegal on the Commission staff prepared these schedules at my direction and with
23 assistance from a legal assistant on the Commission staff. The schedules are derived from and
24 summarize records and other documents (a) produced to the Commission pursuant to
25 investigative subpoenas issued to SNCA, SNC Investments, Inc. ("SNCP"), Bank of America,
26 and J. Sung Accountancy Co.; and (b) provided to the Commission by the United States
27 Attorney's Office for the Northern District of California. Tabs A-F to the exhibit summarize the
28 following activity:

- Tab A summarizes deposits and other credits;
- Tab B summarizes withdrawals and other debits;
- Tab C shows transfers to and from KR Futures Co. Ltd.;
- Tab D shows transfers to and from defendant SNCI;
- Tab E shows transfers to defendant Peter Son; and
- Tab F shows the balance in the account on the first and last days of the period along with the total deposits and withdrawals during the period.

6. Attached as Exhibit No. 5 is a true and correct copy of excerpts of the transcript of sworn testimony provided by Young Choi, a former SNCI employee, during the Commission's investigation of this matter.

7. Attached as Exhibit No. 6 is a true and correct copy of an exhibit introduced at Young Choi's testimony before the Commission. Mr. Choi recognized the exhibit as containing letters regarding SNCI's capital levels sent by SNCI to the Commodity Futures Trading Commission and the National Futures Association. *See* Exh. 5 (Y. Choi transcript) at 97:11-99:1. The letters are dated in August and September 2006.

8. Attached as Exhibit No. 7 is true and correct copy of an exhibit introduced at Young Choi's testimony before the Commission. Mr. Choi recognized the exhibit as containing letters similar to those in Exhibit No. 6. *See* Exh. 5 (Y. Choi transcript) at 99:2-101:10. The letters are dated in February and March of 2007.

9. Attached as Exhibit No. 8 is a true and correct copy of excerpts of the transcript of sworn testimony provided by Jee Choi, a former SNCA administrative employee, during the Commission's investigation of this matter.

10. Attached as Exhibit No. 9 is a true and correct copy of an exhibit introduced at Jee Choi's testimony before the Commission. Ms. Choi recognized the exhibit as containing copies of SNCA investor account statements. *See* Exh. 8 (J. Choi transcript) at 58:21-59:5. The account statements were produced to the Commission by SNCA pursuant to an investigative subpoena. The Commission has calculated the total of all balances shown in these account statements to be \$8,097,309.37.

1 11. Attached as Exhibit No. 10 are true and correct copies of documents produced to
2 the Commission by J. Sung Accountancy Co. pursuant to an investigative subpoena. The Sung
3 firm represented to the Commission that it has been the tax preparer for SNCA. The exhibit
4 contains what appear to be copies of checks on SNCA's bank account made payable to
5 "Countrywide Bank" and "Countrywide" and signed by defendant Peter Son.

6 12. Attached as Exhibit No. 11 is a true and correct copy of a document produced to
7 the Commission by SNCA pursuant to an investigative subpoena. It appears to be a copy of a
8 closing statement showing defendant Peter Son as the buyer of a property in Danville, California,
9 for \$2.65 million, and that "Countrywide Funding" made a mortgage loan on the property.

10 13. Attached as Exhibit No. 12 is a true and correct copy of an exhibit introduced at
11 Jee Choi's testimony before the Commission. Ms. Choi recognized the exhibit as containing a
12 bank deposit slip, a check, and other documents reflecting an investor's \$500,000 investment in
13 April 2008. *See* Exh. 8 (J. Choi transcript) at 80:14-82:1.

14 14. Attached as Exhibit No. 13 is a true and correct copy of excerpts of the transcript
15 of sworn testimony provided by Phil Ha, a former SNCA sales agent, during the Commission's
16 investigation of this matter.

17 15. Attached as Exhibit No. 14 is a true and correct copy of an exhibit introduced at
18 Phil Ha's testimony before the Commission. The exhibit was marked for the record in five
19 discreet subparts (Exhibit Nos. 23A, 23B, 23C, 23D, and 23E). Mr. Ha recognized Exhibit
20 Nos. 23A, 23B, and 23C as SNCI marketing materials. *See* Exh. 13 (Ha transcript) at 36:8-45:4.
21 Mr. Ha recognized Exhibit No. 23D (the exhibit number was affixed to the back of the page to
22 avoid obscuring the document) as an advertisement printed in Business Week magazine by
23 SNCI. *See id.* at 45:7-48:1. Mr. Ha recognized Exhibit No. 23E as an investor application and
24 contract. *See id.* at 48:10-48:24.

25 16. Attached as Exhibit No. 15 is a true and correct copy of an exhibit introduced at
26 Phil Ha's testimony before the Commission. Mr. Ha recognized the exhibit as a list of SNCA
27 investors he handled, and he testified to his understanding that the investors received promissory
28 notes. *See* Exh. 13 (Ha transcript) at 65:24-66:23, 84:10-85:21, 129:3-9. The Commission

1 calculates the number of the investors on the list to be more than 150. According to a list
2 compiled by the Commodity Futures Trading Commission, the number of investors in SNCA
3 exceeded 500.

4 17. Attached as Exhibit No. 16 are true and correct copies of documents produced to
5 the Commission by SNCA pursuant to an investigative subpoena. The first page of Exhibit
6 No. 16 was introduced at Phil Ha's testimony before the Commission. Mr. Ha recognized the
7 first page of Exhibit No. 16 as a letter to an investor that appears to be signed by defendant Jin
8 Chung. *See* Exh. 13 (Ha transcript) at 154:4-155:10.

9 18. Attached as Exhibit No. 17 are true and correct copies of bank account statements
10 produced to the Commission by Bank of America pursuant to an investigative subpoena. The
11 account statements relate to Bank of America account no. xxxxx-x4116, held in the name of
12 SNCA.

13 19. Attached as Exhibit No. 18 are true and correct copies of bank account statements
14 produced to the Commission by Bank of America pursuant to an investigative subpoena. The
15 account statements relate to Bank of America account no. xxxxx-x4289, held in the name of
16 SNCI.

17 20. Attached as Exhibit No. 19 is a true and correct copy of a decision that I printed
18 from the National Futures Association's Web site (<http://www.nfa.futures.org/>). The decision is
19 captioned *In the Matter of SNC Investments, Inc.*, filed Sept. 30, 2008. In the decision, a hearing
20 panel found that SNCI failed to maintain a required capital level and used misleading
21 promotional materials.

Executed on June 8, 2009.

Thomas J. Green

Thomas J. Eme